

188229



2006-286-EG

September 13, 2007

Mr. Charles Terreni
 Chief Clerk & Administrator
 The Public Service Commission of South Carolina
 Post Office Drawer 11649
 Columbia, South Carolina 29211

COPY
Posted: led
Dept: SA
Date: 9/13/07
Time: 5:00

SC PUBLIC SERVICE
COMMISSION

2007 SEP 13 PM 4:03

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Dear Mr. Terreni:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Gas Distribution Operations, for the twelve months ended June, 2007. The certification from the CFO is included. The CEO is out of the office and will sign his Certification upon his returning. It will be forwarded to you as soon as it is signed.

Sincerely,

Kenneth R. Jackson

CW

Attachments

c: John Flitter (ORS)
 Jay Jashinsky (ORS)

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SEP 13 2007

PSC SC
DOCKETING DEPT.

CERTIFICATION

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COMMISSION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Report of Gas Distribution Operations is filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

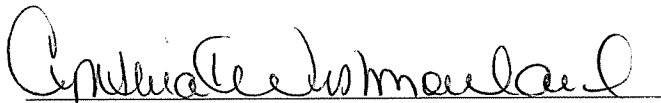
Chief Financial Officer

Title

September 13, 2007

Date Signed

Subscribed and Sworn to me on this 13th of September
2007



Notary Public

My Commission Expires: September 13, 2011

SOUTH CAROLINA ELECTRIC & GAS COMPANY
TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE
12 MONTHS ENDED
June, 2007

<u>DESCRIPTION</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING & PRO FORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
	<u>COL. A</u>	<u>COL. B</u>	<u>COL. C</u>
	\$	\$	\$
<u>OPERATING REVENUES</u>	<u>518,367,344</u>	<u>6,488,925</u>	<u>524,856,269</u>
<u>OPERATING EXPENSES</u>			
Cost of Gas	393,624,262		393,624,262
Other O&M Expenses	58,442,850	1,911,077	60,353,927
Deprec. & Amort. Expenses	18,504,772	1,999,678	20,504,450
Taxes Other Than Income	12,659,667	2,063,502	14,723,169
Income Taxes	<u>9,615,664</u>	<u>219,317</u>	<u>9,834,981</u>
Total Operating Expenses	492,847,215	6,193,574	499,040,789
Operating Return	25,520,129	295,351	25,815,480
Customer Growth	530,193	6,136	536,329
Int. on Cust. Deposits Net	<u>(132,298)</u>		<u>(132,298)</u>
Total Income For Return	<u>25,918,024</u>	<u>301,487</u>	<u>26,219,511</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	645,002,585	457,576	645,460,161
Reserve for Depre.	<u>268,944,862</u>	<u>1,905,855</u>	<u>270,850,717</u>
Net Plant	376,057,723	(1,448,279)	374,609,444
CWIP	13,491,456	(909,314)	12,582,142
Accum. Def. Income Taxes	(43,543,335)	0	(43,543,335)
Net Deferred Debits / Credits	(6,159,294)	(26,209)	(6,185,503)
Materials & Supplies	53,008,437	0	53,008,437
Working Capital	<u>(9,440,025)</u>	<u>238,885</u>	<u>(9,201,140)</u>
Total Original Cost Rate Base	<u>383,414,963</u>	<u>(2,144,917)</u>	<u>381,270,046</u>
RATE OF RETURN	6.76%		6.88%
RETURN ON EQUITY	<u>7.23%</u>		<u>7.45%</u>

SUPPLEMENTAL
SCHEDULE
TO EXHIBIT A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
GAS ANNUALIZED INTEREST EXPENSE
12 MONTHS ENDED
June, 2007

RATE BASE	\$383,414,963
LONG-TERM DEBT RATIO	0.4415
	<hr/>
	\$169,270,252
AVERAGE COST OF DEBT	0.0620
ANNUALIZED INTEREST	<hr/>
	\$10,494,756
 TAX BOOK INTEREST	 \$9,622,086
INTEREST ADJUSTMENT	<div style="border: 1px solid black; padding: 2px;">\$872,670</div>
 ADJUSTMENT TO INCOME TAXES:	
 STATE INCOME TAX	 <div style="text-align: right;"><u>(\$43,633)</u></div>
 FEDERAL INCOME TAX	 <div style="text-align: right;"><u>(\$290,163)</u></div>
 TOTAL INCOME TAX EFFECT	 <div style="border: 1px solid black; padding: 2px; text-align: right;">(\$333,796)</div>

SUPPLEMENTAL
SCHEDULE
TO EXHIBIT A

SOUTH CAROLINA ELECTRIC & GAS COMPANY
RATE BASE DETAIL TOTAL GAS OPERATIONS
12 MONTHS ENDED
June, 2007

NET DEFERRED DEBITS/CREDITS	PER BOOKS ADJ. FOR REGULATORY ORDERS	ACCOUNTING & PRO FORMA ADJUSTMENTS	TOTAL AS ADJUSTED
	\$	\$	\$
ENVIRONMENTAL	2,228,466	0	2,228,466
PROPANE AIR PLANTS	1,931,151	(39,697)	1,891,454
FSB 106 RATE BASE REDUCTION	(10,318,911)	13,488	(10,305,423)
TOTAL	<u>(6,159,294)</u>	<u>(26,209)</u>	<u>(6,185,503)</u>
<u>MATERIALS & SUPPLIES</u>			
NATURAL GAS STORAGE	51,968,647	0	51,968,647
OTHER M&S	1,039,790	0	1,039,790
TOTAL	<u>53,008,437</u>	<u>0</u>	<u>53,008,437</u>
<u>WORKING CAPITAL</u>			
WORKING CASH	7,305,356	238,885	7,544,241
PREPAYMENTS	(1,523,107)	0	(1,523,107)
CUSTOMER DEPOSITS	(7,174,344)	0	(7,174,344)
AVERAGE TAX ACCRUALS	(7,397,959)	0	(7,397,959)
INJURIES & DAMAGES	(649,970)	0	(649,970)
TOTAL WORKING CAPITAL	<u>(9,440,025)</u>	<u>238,885</u>	<u>(9,201,140)</u>

SUPPLEMENTAL SCHEDULE
TO EXHIBIT A

ADJ #	DESCRIPTION	REVENUE	O&M EXPENSE	DEPREC & AMORT EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5.0%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM DEPRE	CWIP	OPEB'S	REGULATORY ASSET	WORKING CAPITAL
1	ADJUST LATERAL CUSTOMER REVENUE FOR TARIFF RATES	596,870			3,106	29,688	197,426						-
2	ANNUALIZE WAGES, BENEFITS AND PAYROLL TAXES		889,189		62,984	(47,609)	(316,598)						111,149
3	NORMALIZE INCENTIVE COMPENSATION		(481,210)		(38,413)	25,981	172,775						(60,151)
4	ANNUALIZE PENSION INCOME		(183,613)			9,181	61,051						(22,952)
5	ANNUALIZE OTHER POST- EMPLOYEE BENEFITS		(21,843)			1,092	7,263				13,488		(2,730)
6	REMOVE UNCOLLECTIBLE GAS COST EXPENSE		(683,073)			34,154	227,122						(85,384)
7	REMOVE EMPLOYEE CLUBS		(64,580)	(64,397)		6,449	42,885	(439,576)	(107,193)	(862)			(8,073)
8	ANNUALIZE CUSTOMER AWARENESS PROGRAM		1,893,937			(94,697)	(629,734)						236,742
9	RECOGNIZE PROPERTY RETIREMENTS, DEPRECIATION RESERVES					-	-	(11,330)	(11,330)				-
10	RECOGNIZE PROPERTY ADDITIONS, PLANT IN SERVICE					-	-	908,482		(908,452)			-
11	ANNUALIZE DEPRECIATION- ADJUST RESERVE			1,665,135		(83,257)	(553,657)		1,665,135				-
12	ANNUALIZE PROPERTY TAXES				2,005,162	(100,258)	(666,716)						-
13	ANNUALIZE AMORTIZATION EXPENSE FOR REGULATORY ASSET - PROPANE AIR PLANT			39,697		(1,985)	(13,199)					(39,697)	-
14	ANNUALIZE LNG ASSETS - INCREASE EXPENSE		526,578	359,243		(44,291)	(294,535)		359,243				65,822
15	ANNUALIZE APPROVED REVENUE INCREASE - 2006 RSA PROCEEDING	4,298,789			22,371	213,821	1,421,909						-
16	RECOGNIZE DEMAND COST NOT RECOVERED	1,593,266			8,291	79,249	527,004						-
17	ANNUALIZE POSTAGE INCREASE		35,692			(1,785)	(11,868)						4,462
18	TAX EFFECT OF ANNUALIZED INTEREST					2,936	19,521						-
	TOTAL ADJUSTMENTS	6,488,925	1,911,077	1,999,678	2,063,502	28,669	190,648	457,576	1,905,855	(905,314)	13,488	(39,697)	238,885

**SOUTH CAROLINA ELECTRIC & GAS COMPANY
WEIGHTED COST OF CAPITAL**

	AMOUNT PER BOOKS Jun-07 (COL. 1)	CAPITALIZATION RATIO (COL. 2) %	COST OF DEBT RETURN ON EQUITY (COL. 3) %	WEIGHTED COST OF CAPITAL (COL. 4) %
LONG-TERM DEBT	2,096,488,400	44.15%	6.20%	2.74%
PREFERRED STOCK	114,338,800	2.41%	6.42%	0.15%
COMMON EQUITY	2,537,940,013	53.44%	7.46%	3.99%
TOTAL	4,748,767,213	100.00%		6.88%

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

TWELVE MONTHS ENDED June 30, 2007

NET INCOME AFTER DIV. OF PREF. STOCK	\$216,364,209
EARNINGS PER SHARE	\$1.86
AVG. NUMBER OF SHARES OUTSTANDING	116,482,010

SOUTH CAROLINA ELECTRIC & GAS COMPANY
 RATIO OF EARNINGS TO FIXED CHARGES ¹
 TWELVE MONTHS ENDED June 30, 2007

LINE NO.		\$000's
1	EARNINGS	
2	Net Income	290,377
3	Losses from Equity Investees	22,187
4	Total Fixed Charges, As Below	<u>144,632</u>
5	TOTAL EARNINGS	<u>457,196</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	118,770
8	Other Interest	17,565
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,433
10	Rental Int. Portion	4,864
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	144,632
13	Pre-tax earnings required to pay Preference Security Dividend	<u>11,768</u>
14	Total Fixed Charges and Preference Security Dividend	<u>156,400</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	2.92
16	¹ - SEC COVERAGE	